

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6344

BILL NUMBER: HB 1099

NOTE PREPARED: Jan 29, 2014

BILL AMENDED: Jan 29, 2014

SUBJECT: Annexation of Noncontiguous Property.

FIRST AUTHOR: Rep. Niemeyer

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill allows a municipality to annex property that is not contiguous to the municipality and is occupied by a municipally owned or operated: (1) wastewater treatment facility; or (2) water treatment facility.

Effective Date: July 1, 2014.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill will have an indeterminate fiscal impact on local units of government, potentially lowering costs for a county and increasing costs for an annexing municipality.

A municipality would provide necessary capital and noncapital services in the annexed property, either directly or by contract, when it annexes a noncontiguous property with a municipally owned or operated wastewater treatment facility or water treatment facility. However, the annexing municipality may receive some cost savings by controlling the property of the wastewater treatment facility or water treatment facility, rather than the property being subject to county requirements (e.g., permitting requirements).

(Revised) The annexing municipality may not use the property to annex additional property that is contiguous to the wastewater treatment facility or water treatment facility, but not contiguous to the municipality. However, an exception allowing the annexing municipality to add additional territory to enlarge the wastewater treatment facility or water treatment plant would be allowed with the approval of the county

legislative body. If enlargement is allowed, the area could not be considered part of the corporate boundaries for zoning and planning purposes.

Additional Information: Noncapital services include police protection, fire protection, and street and road maintenance. Under current law, the municipality must provide noncapital services in a manner equivalent in standard and scope to the services provided in areas within the corporate boundaries.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties, municipalities, wastewater and water treatment facilities.

Information Sources: IC 36-4-3-13.

Fiscal Analyst: Karen Firestone, 317-234-2106.